250 MW using conventional technologies and Gas naphtha based plants upto 500 MW.

(iv) Given permission for foreign equity participation upto 100% on the automatic approval route provided the foreign Direct Investment (FDI) does not exceed Rs. 1500 crores for projects of electric generation, transmission and distribution.

Fuel supply agreement with independent power procedures

3157. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the Government have formulated "Fuel Supply Agreement" (FSA) for Independent Power Procedures;

(b) whether the agreement provide the independent Power Producers the necessary guarantees for uninterrupted supply of fuel;

(c) whether the cost factors in the agreement allow the Independent Power Procedures to operate the Power Plants within the power rates agreed to; and

(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) to (d) A model fuel supply agreement has been prepared and circulated by the Government for the liquid fuel based power projects. Coal India Limited has also prepared a model fuel supply agreement to be entered into for supply of coal to Independent Power Producers (IPPPs). These agreements, inter-alia, contain clauses governing the supply of fuel including those for damages payable by the fuel company for failure to supply the minimum agreed upon quantity of fuel. Generally the cost of fuel is a pass through in the tariff and this, consequently, would not have an impact on the economics of operation of the IPP.

Supply of Power in Agricultural Sector

3158. SHRI P. PRABHAKAR REDDY: Will the Minister of POWER be pleased to state:

(a) the names of the States undergoing acute power shortage as on date;

(b) the measures taken to ensure adequate supply of power particularly in agricultural sectors; and

(c) whether privatisation of power has been adopted as one of the steps to improve the power situation in some States and if so, the details thereof?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) During the period April—June, 1998 Andhra Pradesh, Kerala, Karnataka, Tamil Nadu in the Southern region and Arunachal Pradesh, Assam, Mizoram, Nagaland in North Eastern region faced energy shortage ranging between 11.2% to 21.2%.

(b) Power supply to various sectors including agricultural sector in a State is the responsibility of the concerned State Government/State Electricity Board. However, Government has initiated various steps to improve power supply in the country including the agricultural sector, the steps include establishment of Central and State Electrification Corporation for rural electrification schemes, higher budgetary allocation for central sector projects, renovation and modernisation of power stations, interest subsidy for accelerated completion of State sector ongoing schemes, renovation and modernisation and system improvements, formulating a policy for mega projects and augmentation of transmission and transformation capacity of the power system.

(c) The Government have taken a number of initiatives to boost private investment in the power sector. The initiatives taken and underway include liberalising the scope of automatic approval for foreign direct investment, Simplification of procedure for issue of counter guarantee, improving the procedure for competitive bidding and im-